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INFORMATION RELEASE

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How the state budget could impact Juneau's local government

Since the release of Gov. Mike Dunleavy's budget, the City and Borough of Juneau has been actively assessing what impacts it could have on local government. While the state budget is at the beginning of its process and information will evolve, the Governor's cuts would translate into an \$8.5 million direct loss to CBJ, as well as additional reductions to the Juneau School District and Bartlett Regional Hospital.

"Based on this loss, we're still evaluating what it could mean for CBJ. That figure is equal to about 8 percent of CBJ's overall revenue, so how do we fill that gap? We would reduce services and programs, raise taxes, and try to absorb some cuts with savings. Likely, if it comes down to it, it'll be some combination of all three," City Manager Rorie Watt said. "Juneau Assemblies have managed our municipal finances to avoid precipitous swings in services and taxation and this budget proposal would undo 20 or more years of hard work in one fell swoop."

The governor's budget also translates into at least a \$10 million reduction to the Juneau School District and a roughly \$6.2 million cut to Bartlett Regional Hospital. The University of Alaska system faces more than a 40 percent cut. These reductions will lead to job losses, less programs and services, and the potential for residents to leave Juneau. The economic impact of the loss of the ferry system on coastal Alaska is unknown, but likely disastrous.

"Cuts this large to local government, schools and the University of Alaska would have a dire impact on Juneau's economy. Ninety percent of CBJ's general government budget is funded by taxes, like sales tax and property tax, that are dependent on the economy," Watt said.

Watt said it's important to remember that budget information will evolve over time. "It'll evolve at the legislative level. We'll evolve our own understanding of the impacts. But if you're feeling anxious or panicked by this, channel that sense of outrage and concern by doing something – engage in the legislative process, contact all state legislators, reach out to the governor's office, advocate for what you think makes sense."

He added: "It is important that the legislature and Governor clearly and promptly convey a sense of direction; absent that information, Alaska could suffer economic contraction simply from the fear of budget uncertainty. We call on our elected officials to provide timely guidance."

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For more information, contact the City Manager's office at 586-5240.